

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of	)	CA 02-23
	)	
MECHANICAL ENGINEERS OF	)	
HAWAII and Louis Cheng,	)	
	)	
Respondents.	)	
_____	)	

CONCILIATION AGREEMENT

On or around August, 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents Mechanical Engineers of Hawaii Corp. and Louis Cheng ("Mechanical"). Business Registration Division records list Louis Cheng as president and director of Mechanical an engineering firm whose business address is 50 So Beretania Street, Suite 208A, Honolulu, Hawaii. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Mechanical and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondents pursuant to section 11-216(g),  
HRS.

- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
  - 1. On or around August, 2002, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Harris 2000 campaign committee ("Harris), initiated an investigation involving excess contributions in violation of section 11-204(a), HRS.
  - 2. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.

3. Section 11-204(h), HRS reads in part as follows: an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
4. The election period for Jeremy Harris and the Harris 2000 campaign committee include the period from November 6, 1996 to November 7, 2000.
5. On or about September 29, 1997, Mechanical made a contribution to Harris in the amount of \$250.
6. On or about May 29, 1999, Mechanical made a contribution to Harris in the amount of \$1,000.
7. On or about June 1, 1999, Mechanical made a contribution to Harris in the amount of \$250.
8. On or about June 1, 1999, Mechanical made a contribution to Harris in the amount of \$250.
9. On or about June 1, 1999, Mechanical made a contribution to Harris in the amount of \$250.
10. On or about December 22, 1999, Mechanical made a contribution to Harris in the amount of \$2,000.
11. On or about December 22, 1999, Louis Cheng made a contribution to Harris in the amount of \$2,000.
12. On or about September 20, 2000, Mechanical made a contribution to Harris in the amount of \$250.

13. On or about September 22, 2000, Louis Cheng made a contribution to Harris in the amount of \$1,000.
14. That aggregate contributions to Harris totaled \$7,250 for the election period, excess contributions of \$3,250.
15. Mechanical acknowledges that an excess contribution of \$3,250 had been made to the Harris 2000 campaign committee in violation of section 11-204(a)(1)(C), HRS.
16. That excess contributions in violation of section 11-204(a)(1)(C), HRS was not knowing, intentional, or reckless pursuant to section 11-229, HRS.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #02-23, Mechanical understands and agrees to the following:

- (A) Mechanical agrees to an assessment of **One Thousand Dollars (\$1,000)** pursuant to section 11-228, HRS.
  - (1) For violation of section 11-204(a)(1)(C), HRS, making an excess campaign contribution to the Harris campaign committee for the relevant election periods.
- (B) Mechanical agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.

(C) Terms of payment of the assessment shall be by Order of the Commission.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Mechanical on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

**FOR THE COMMISSION:**

Robert Y. Watada, Executive Director

By: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE RESPONDENTS:**

Louis Cheng

By: \_\_\_\_\_

Date: \_\_\_\_\_

(Name)

(Title)